



**Sierra Vista City Council  
Work Session Agenda  
August 9, 2016**

1. Call to order – 3:00 p.m. immediately after the Special Meeting in City Hall, Council Chambers, 1011 N. Coronado Drive, Sierra Vista, Arizona
2. Presentation and discussion:
  - A. Presentation Regarding Sierra Vista Unified School District Capital Bond
  - B. August 11, 2016 Council Meeting Agenda Items (agenda attached)
  - C. Report on Recent Trips, Meetings and Future Meetings
  - D. Board and Commission Liaison Update
  - E. Future Discussion Items and Council Requests
3. Adjourn

City Council work sessions are informal meetings of the elected body designed to allow the Mayor and Council Members to prepare for upcoming regular meetings, have staff briefings on issues, and provide an opportunity for more detailed discussions amongst themselves. The meetings are limited by City Ordinance to 90 minutes; but with Council consensus may be extended by an additional hour. The meetings are set in accordance with the State Open Meeting Law and no discussion can take place on issues/topics that have not been posted on the agenda at least 24 hours in advance. The public is welcome to observe the meetings in person or on Cox Channel 12, but time is not reserved on work session agendas for public comment. The public may, however, address the City Council at their regular twice monthly meetings or share written views through the City website, [www.SierraVistaAZ.gov](http://www.SierraVistaAZ.gov).

Sierra Vista City Council  
Work Session Minutes  
August 9, 2016

1. Call to order by Mayor Mueller at 3:00 p.m. in the City Hall, Council Chambers, 1011 N. Coronado Drive, Sierra Vista, Arizona.

Roll Call

Mayor Rick Mueller – present  
Mayor Pro Tem Bob Blanchard – absent  
Council Member Alesia Ash – present  
Council Member Gwen Calhoun – present  
Council Member Rachel Gray – absent  
Council Member Hank Huisking – present  
Council Member Craig Mount – present

Others Present:

Chuck Potucek, City Manager  
Mary Jacobs, Assistant City Manager  
Ron York, Fire Chief  
Adam Thrasher, Police Chief  
Sharon Flissar, Public Works Director  
Matt McLachlan, Community Development Director  
Tina Moore, Planner  
Jill Adams, City Clerk  
David Felix, Finance Manager  
Judy Hector, PIO  
Bruce Dockter, Citizens Group to advocate helping Schools become an Extraordinary System  
Chris Hagrel, School District Superintendent

2. Presentation and discussion:

A. Presentation Regarding Sierra Vista Unified School District Capital Bond

Mayor Mueller explained that he requested this item to have Council briefed on this important issue that is going before the community in November and to be able to have a discussion after the presentation to see if Council wants to have prepared a resolution of endorsement.

Mr. Dockter stated that he is part of a citizens group that has been formed to advocate for helping make the school system an extraordinary school system. They will be asking Council for their support and added that Ms. Hagrel has joined him to provide facts and information about the school bond, why they felt that they had to do it and the formation of the citizens committee.

Mr. Dockter stressed that Ms. Hagrel is not present to advocate; but only to provide factual information.

Ms. Hagrel stated for the record that she is on personal leave and began by stating that on May 31<sup>st</sup> the Governing Board of the Sierra Vista Unified School District (SVUSD) voted to call for an election to authorize the issuance of up to \$28.87 Million in bonds for the financing of

capital improvements including safety renovations, roof and building equipment replacements, structural technology and student transportation among other things across the District.

Ms. Hagrel presented a map with SVUSD boundaries and stated that the voters living within the 108 square mile boundaries will be asked to vote on the measure on November 8<sup>th</sup>.

The school buildings average an age of 37 years old and the oldest campus, Carmichael, is going to turn 60 in the fall and there will be a huge celebration. Bella Vista, the newest campus was built with school facilities sports funds and was opened in 2003.

The District has been fiscally conservative with their available capital funds and has participated in the federal E-Rate Matching Fund Programs so that they could provide as much technology and communications infrastructure as possible. The District has taken advantage of available State funding for building renewal and repairs when those funds have been available; but just like everyone in their homes, the furnaces, hot water heaters and roofs wear out and they have to be replaced. The schools are the same with their HVAC systems, boilers, technology, school roofs which take up a lot of capital funding to take care of eight schools.

The majority of Arizona school districts call for bond elections every eight to nine years. Sierra Vista's last bond was in the early 90's for Buena High School to be built. Some people have asked why they have waited so long; but years ago the capital budgets were good and they could keep up with the maintenance and have a cycle of replacements for the HVAC systems, roofs and everything else. In the early 2000's as things started changing, they still had available, sometimes, the School Facilities Board's monies. Since the recession things have changed drastically and during the last eight to nine years, they have been dealing with health and safety issues and basically only taking care of those things that were absolutely critical, thinking that the State would fix the formula and go back to funding it next year. The School District cannot count on next year any longer and they are at that point where there will not be carry over funds, the reserves to keep going and waiting for next year.

Ms. Hagrel presented a chart of the reductions in capital allocations over time and explained that right up until the 2012/2013 school year; the State of Arizona funded the District in two capital funds, unrestrictive capital and soft capital. Soft capital was for student related things, i.e., text books and instructional resources. Unrestrictive was for everything that did not necessarily touch a student and it could be desks and furniture; but it could be HVAC, roofs and other repairs needed. In 2013/2014 the State eliminated its soft capital and said that all capital could come out of unrestrictive capital and renamed it Additional Assistance. The Legislature left the formula from 2009 to 2010 and right up to the beginning of the recession.

Ms. Hagrel point out the huge drop on the chart in 2009/2010 and stated that the State said that they would leave the formula alone; but that there would be a reduction on it until further notice. That legislative reduction shows that each year the amount was reduced for a total cumulative reduction of \$12.8 Million between 2009 and the end of last year. There is a similar reduction this year and the District is afraid that they are nearing the end of having carryover funds. This year the capital budget per the formula is about the same, \$340,000. That amount with the amount that the Board kept out of 123 for reserves and the carryover puts them just over \$900,000 for the year. Last year that number with carryover was a little over \$1.2 Million. The District is looking at a problem, if they don't find a way to fix this.

The community owns the schools and the tax payers are basically the landlords of all of their buildings and they need to be involved in anything that they are doing to develop their plans. In order to get an accurate accounting of the capital needs of the District, they first had the

Governing Board contract with Orcutt Winslow to perform a comprehensive capital improvement assessment. The consultant spent approximately 40 man days reviewing all District facilities inside and out.

Ms. Hagrel pointed out that research tells that the 21<sup>st</sup> Century students need to have access to authentic learning opportunities appropriate to their development whenever and wherever they need. They must use appropriate strategies and technology to collaborate, construct knowledge and develop solutions to real world problems and communicate effectively with global audiences. Technology is a tool that they cannot live without. The District Technology Committee comprised of teachers, principles, District Technology Coordinator and IT Director is the guiding force behind the planning for integration of technology into instruction. The committee utilizes these strategic recommendations for student learning, leadership, preparation development of educators and the infrastructure found in the Arizona Department of Education Technology Plan. They also use the Arizona K-12 technology standards to help form policy and practice. The District has made slow progress in provision for network infrastructure to allow for effective internet connectivity throughout the District. All available funding has been utilized to achieve the limited network computer resources that are at the middle and high school. The District is also unable to provide online testing facilities for the students at the middle and high school level to take their AZ Merit tests. They continue to use the bubble sheets of the past. The Future Ready Technology Plan will provide for one to one computer devices to be assigned to all high school students and one to one access for third to eighth graders during the school day as they will not be taking the devices home on a regular basis.

The Sierra Vista schools belong to the community and the buildings are the taxpayer's assets. The community involvement is needed in prioritizing the work of maintaining and improving these education assets. A Community Capital Planning Committee was formed in March and they were fortunate to have nearly two dozen passionate engaged members of the community step forward to take on the task of reviewing the overall capital needs of the community's school assets and to recommend actions for ensuring safe, well maintained quality 21<sup>st</sup> Century learning environments for the City's children. The committee included parents, business owners, educators, City leaders and community members. They met six times over a two month period and their specific task was to provide an external review of the Capital Facility Master Plan that Orcutt Winslow was able to develop as well as the District's Future Ready Tech Plan and then provide recommendations to the Governing Board on priority projects and possible funding options to address those needs.

Orcutt Winslow presented a prioritized list of projects and needs to the committee totaling nearly \$33 Million. After analysis, the committee determined that they were comfortable with recommending the criticality of \$28.87 Million in projects under major categories.

Mr. Dockter emphasized that Ms. Hagrel is not a member of their citizens committee and noted that the question was how to pay for it, \$28 Million. The District is not going to get there with \$300,000 per year plus a little carryover with the carryover disappearing. There is \$1.3 Million of critical fire and safety issues that needs to be done; but there are various ways to do it. There is not much money coming from the State in the foreseeable future and not until the economy starts getting a lot better than it is now.

People are familiar with budget overrides; but those are to take care of maintenance and operation costs. There have been a couple of them in the City, one was successful and the last one was not; but that cannot be used for capital funding projects.

Proposition 123 was a maintenance and operations payback from the Legislature for money that they should have provided for inflation and did not and that was not available either. Ms. Hagrel got the Governing Board to let her spend about \$200,000 of that for capital projects; but the rest of it all went to pay for the most part the teachers and staff salaries that had been frozen for many years. They have not even gotten a cost of living and inflation increases and it was great that the money could be used for teach pay.

That left the District with a voter approved bond override as the only way to do it. There were some findings and recommendations that the Citizens Committee came up with because the quality of education is directly tied to the economic health of the community.

Mr. Dockter stated that most everyone knows that he is Chairman of the Board of Trustees for Canyon Vista Medical Center and he can relay that they have actually lost doctors because they did not feel like the school system offered them the educational opportunities that they wanted. Not that the teachers were not doing a good job; but they have to have the tools, i.e., the technology to do it. There has also been trouble recruiting CEO's early on because of the same issue.

Students need a safe and pleasant environment to learn in. Problems need to be solved as well as the technology based advanced learning experience. No matter what career path is chosen, even into the trades, technology is a big part of it. The kids have to be given an opportunity to be able to advance into those arenas.

The committee concluded that the capital and technology requirements were valid and the only viable source to be used was for a bond sale. The Governing Board approved a \$28.87 Million bond sale; but there needs to be citizen involvement because the community owns the buildings. The committee also recommended that there needs to be a bond oversight committee. After the bonds are sold and the money is being spent, there should be an oversight committee made up of citizens that see how the money is being spent. They would monitor the spending to make sure that the money is being spent on what the voters were told that it was going to be spent for. This is a critical part in the communication with the community.

The committee also encouraged the Governing Board to continue to seek other types of funding. There is limited funding from the School Facilities Board that might be available so the School District is going to apply for some of their critical fire and safety health requirements. There are some partnerships that can be done with businesses to help bring in some funding; but no one is going to do \$4 to \$5 Million worth of roofing and that is going to take something more than just partnerships.

Mr. Dockter stated that it will have to be like when the hospital was built. They told the general contractor that he had to hire as many local people as he could to work on it even though some of the local contractors can't get the bonding authority for the bigger projects. They partnered with other businesses in the community or Tucson and Phoenix. They suggested to the Governing Board that they also need to make sure that it happens so that as much of the money as possible stays in Sierra Vista.

The referendum on the ballot in November, a General Election issue, basically is going to ask the voters to approve a bond. An average household in Sierra Vista, \$107,000 is going to cost \$6.45 per month. That is going to be at an interest rate of five to five and a half percent. With regard to the interest rate, they need to make sure that they do the best job they can for the voters of keeping the taxes down. At the same time they have to have bonds that people want

to buy. They have to reach that balance of having bonds and interest rate that people will buy while at the same time keeping the cost of the tax payers down.

Mr. Dockter stated that prior to 1994 schools funded their facility requirements especially their building and renovation requirements based on a secondary property tax but due to some lawsuits in 1998 they changed all of that and established a building renewal fund and a school facilities board to distribute that funding for major projects. Those funds have dried up and the Legislature also appropriated money for capital projects. All of those things sounded like a good plan until the recession hit in 2008 and the school districts were left holding the bag, \$13 Million in a couple of years.

A budget override is not appropriate for this sort of thing. Proposition 123 is primarily for pay and the bond does allow the voters to go out and get a loan. This is how they intent to fund the projects. The last bond election was 25 years ago and most school districts have a bond election every eight to nine years. It is just a matter of routine and that is how they keep their projects going.

The District should have had one before and everyone recognizes that; but the School District also recognizes that the economy was on the downturn and the City is not rebounding so they kept putting it off. The point has been reached where they really have to do something as the differed maintenance backlog is getting bigger and it is getting to the point of catastrophic failures.

There is a positive link between the learning environment and education being a key factor and people have to realize that the schools are not just for the students. Everyone as adults has been to some event at the schools, i.e., symphony, community chorus, SACA expo and etc. Home schooled students also use the faculties at the schools and just don't know it. These are community assets and they need to be kept up. The HVAC systems need to be repaired just as the ones at home do.

The bottom line is that these requirements are not going to go away and the deferred maintenance log is only going to get worse. If this keeps being put off, it is only going to cost more because every year things get more expensive. It is time to do something and to recognize the impact that the School District has. Economic development is three tiers, health care, education and quality of life. The City has done a great job on quality of life and making strides on the health care with the new hospital; but it now needs to get that education piece fixed so that the City can be an attractive place for people to want to come to live in.

The Committee is requesting that Council publicly support the passage of the school bond in the November election. The community looks to Council as community leaders and they all represent different groups of people and demographics of the community and the committee thinks that it will be important for people to see that Council supports the bond referendum.

Council Member Huisking asked about the percentage of the rate of return for people who purchase the bond. Mr. Dockter stated that it is five and a half percent and that is an estimate because it is unknown what the bond market will be next year when the bonds are sold.

Council Member Huisking asked what will happen if repairs are made and they can't be sustained. Mr. Dockter stated that most school districts have a bond election every eight to nine years and the economy is starting to get better so hopefully over time the Legislature will be back in a position of funding the things for school facilities and the School Facilities Board will have money. This is a plan to get the District through the next 10 years.

Council Member Calhoun asked why Proposition 123 was allowed to pay salaries. Mr. Dockter stated that pay and benefits are 87 percent of M&O and there was a referendum that the voters passed that promised that the school districts would get inflation increases every year. With the economy issues, the Legislature was not able to provide that funding. The school districts have not been able to get those inflation increases and there are several law suits to solve that. The inflation increases were for maintenance and operation so Governor Ducey and the Legislature determined that this was something they were going to try and to do to solve the problem so that the law suits would not continue. It was a controversial issue; but it did pass in the State and Cochise County.

Salaries are part of maintenance and operation and there has been some confusion on that. The School District said 123 went to maintenance and operation; salaries are 87 percent of maintenance and operation.

Council Member Mount asked who is going to ultimately administer the bond. Mr. Dockter stated that the School District will administer the bond; but it will have the Bond Over Sight Committee. Ms. Hagrel added that through Stiffel as they would issue the bonds and the money would be deposited in the School District accounts and have to be accounted for as bond funds and be used for the projects that were listed.

Council Member Mount asked if the School District would maintain control over the funds, who would pick the Oversight Committee and to whom would the Committee be accountable. Ms. Hagrel stated yes and explained that the Governing Board would take volunteers from the community if there were more than there can be on the committee, and then they would select those folks. Mr. Dockter added that the Committee would be accountable to the community and Governing Board through quarterly reports.

Council Member Mount asked if it was 23 years ago that a bond was passed. Ms. Hagrel stated that they went for a bond; but they did have an override in place for maintenance and operations back in the early 2000 and when it started to be phased out, they tried again and the voters chose not to renew that.

Council Member Mount asked why the decision made to create an omnibus bond where everything is lumped up versus separate bonds at a smaller cost. Ms. Hagrel stated that there are some fixed costs for a bond every time they go out for a bond or sell. This will be divided into two or three sales. It was also a timing issue in terms of where the School District is at that point where they absolutely need to have the capital repairs. Students are graduating in the year 2020 and they will not have had the technology that they need. The Committee was actually the one that decided to go for all of it now rather than spreading it out.

Council Member Mount asked if the amount of monies is broken down between what would go into the actual classrooms versus the common areas and the venues. Ms. Hagrel stated that they have some square footage examples that the Committee was able to see when Orcutt Winslow was making the presentation. The instructional technology systems will be 100% in classroom for teachers and students at \$7.4 Million. The new construction, class rooms, multipurpose rooms, practice gym and class room for theater tech students at the high school are all student related new spaces. Food service sections are antiques in terms of some of the equipment in them and that would be \$250,000 to replace kitchen equipment. Transportation has 2/3 of the bus fleet at 15 years old. The rest are HVAC systems that are reaching the end of their normal life span and roofs in most of the buildings. This would be done over time in the

next two to three years. They would be selling the bonds and having to spend the proceeds within the next eight to ten years. This is a long process.

Council Member Huisking asked if it is normal to assign a computer to each student. Ms. Hagrel stated that at the high school it is becoming the norm and it is not the responsibility of the parents to provide it in Arizona. Arizona requires that a free and appropriate public education for all students and the District is supposed to provide the resources that the students need. This would replace text book adoptions because they can have electronic text book and it is not for them to read like they do with a Kindle. They will use the tool to communicate globally and research.

Council Member Mount asked if they are getting lap tops. Ms. Hagrel explained that it is a tablet and they are currently piloting tablets in two class rooms along with all of other equipment that goes into a 21<sup>st</sup> Century classroom to see if they are happy with the current models. They are modeling things after several other school districts in the state including Vail, which opened up a new high school and it was totally a one to one computer environment. They don't have a text book on the campus. It has been many years since the District has been able to adopt new text books because of the expense, \$400,000 to \$500,000 and it is not feasible and practical as many of them are outdated before the District can get them.

Council Member Mount asked what happens if the student loses the tablet. Ms. Hagrel stated that they can take it home; but the sign an agreement and there is opportunity to get insurance on it so that it can be fixed. The District will be buying things with good warranties.

Council Member Huisking asked who services the roofs and how is it paid. Ms. Hagrel stated that the warranties would be part of the cost of the construction project and the companies that they deal with will have to warranty their work for the standard amount of time, eight to 10 years. The District still has some roofs that are under warranty and they do come and do the warranty work at no cost.

Mayor Mueller thanked Ms. Hagrel and Mr. Dockter for their presentation and commented that this information should be up on the net as well as the minutes so that excerpts can be used by the Committee to present to other members of the public.

Mayor Mueller asked Council how they feel about endorsing the bond. Council Member Huisking stated that she has no problem with it as well Council Member Calhoun.

Council Member Mount stated for the record that he has already sent in his letter of endorsement for the school bond and he is in favor of it; but the one point that needs to be discussed is the Oversight Board that has not been picked. As a City government and without knowing some of those details that could create a conflict of interest down the line.

Mayor Mueller stated that it potentially could and because they have had the forethought that there is a need for that the City can depend on them to follow through to make sure that board is actually functioning and has some impact on the process. He is also in favor of endorsing it and he has sent in a pro statement for the voter pamphlet.

Council Member stated that he does not think that it is a big issue; but he wants Council to be eyes wide open and at least point that out until it is all hammered out.

Mayor Mueller stated that if there are no objections, he will direct staff to put together a resolution indicating Council's support for the bond.



B. August 11, 2016 Council Meeting Agenda Items (agenda attached)

There were no comments on the following items:

- Proclamation declaring August 21-27 to be National Employer Support of the Guard and Reserve Week;
- City Council Business for the Month of August;
- 2016 Governor's Tourism Award for Print Content and Collateral of City's new Adventure Guide; and
- Consent Agenda.

Council Member Huisking pointed out that the word bazaar on the minutes was misspelled.

Item 3 Ordinance 2016-004, Amending Title 6, Chapter 118, Taxicabs – Ms. Adams stated over the past several years the Department has been doing a slow steady review of the business licensing ordinances and the past several months there have been issues come up between competing cab companies in town that has caused the Department to take a look at the regulations. It was discovered that the State Department of Transportation has a very complete licensing process that they require any vehicle for hire go through that is more complete than what the City was doing. The City's requirements were a partial duplicate effort and in an effort to streamline the City Ordinances, the Department is eliminating all of the City's requirements and will require taxi cab companies provide proof that they meet the State Department of Transportation requirements and they can then have a business license in the City.

Council Member Calhoun asked if the chapters being amended belong to the State. Ms. Adams stated that the City is not restating the State Law. The City is actually rescinding most of the City's ordinance and cleaning up some of the definitions and adding a line that states that they must provide proof that they meet the ADOT requirements.

Council Member Calhoun asked if they are included in the ordinance. Ms. Adams stated that the actual language is in the ordinance because this will be published in the newspaper and the changes are on sections one and two of the ordinance.

Council Member Mount asked if the local taxi companies have been informed. Ms. Adams stated that a letter will be sent out after the ordinance is passed and essentially this State Law has been in effect. Staff went on the web site and there is about a 50 percent compliance rate in town; but they will be advised that they need to get their ADOT certification. The Department is not going to be public their business license straight away and they will be given plenty of time to do that; but essentially they are in violation and have been for awhile.

Council Member Mount asked if there is a way to build in a grace period. Mr. Potucek stated that any resolution that is passed has to go through a 30-day period before it goes into effect. The issue is that the State Statute is in effect and they should be complying with the State Statute. The City's ordinances are duplicative and do not need to be in place. The Police Department if they found violations would cite under State Law.

Council Member Mount noted that he does not want to have a petition that states that the City is getting rid of the taxi cabs in town.

Mayor Mueller stated that it is not the case; it is that they need to be properly licensed. Council Member Mount noted that he agrees; but he is concerned with public outreach. Mr. Potucek

stated that once approved, it will be posted in the paper and be put up on the City's web site and do all of the normal communication. Ms. Adams noted that the Department will actually communicate with the companies and let them know that if they have not achieved that certification with the State that they need to proceed with that as soon as possible.

Item 4 Ordinance 2016-005, Fiscal Year 2016/2017 Property Tax Levy – Mr. Felix stated that this is the final official step in the budget process and it is doing the final property tax levy for the fiscal year. It is remaining at the same rate of .1136 per \$100 of assessed valuation. IN plain English, if the home is \$100,000 of whatever the total property tax bill \$11.36 is what comes to the City. There have been no comments. This is the same rate that the City has had for the last four years. The total revenue has decreased due to the continuing decrease in the overall property values in town.

Item 5 Resolution 2016-058, Agreement with the Arizona Power Authority for an allocation of Hoover Dam power – Ms. Jacobs stated that this was reviewed weeks ago with the consultant and the City is eligible for an allocation of Hoover Dam power effective in 2017. It is a small amount; but it is power that is renewable and after the first couple of years, the City should see a savings of \$8,200 by year 10 with projections for additional increases over the next 40 years. It is a long term agreement and because it is another governmental agency, the Arizona Power Authority requires that Council approve the agreement.

Council Member Mount asked about the intergovernmental partner in order to offload the energy that the City cannot accept yet. Ms. Jacobs stated that the City has a commitment from the Arizona Power Authority to help the City during the first years by allowing the City to essentially transfer all of its power to another provider. It would not come to the City at all and short of that, the City does not have a firm partner; but this does not go into effect for a year. Even if the City does not have that and the City ended up to having to take that power it would only cost the City for the first couple of years \$3,200. She believes that for the potential payback over the 50-year contract that even if it were to fall through, she would recommend that the City still approve the contract.

Council Member Huisking asked why the City has to pay for the power if it is being given to the City. Ms. Jacobs stated that the City is being allocated a power at a significantly reduced rate compared to commercial power that is available. This is extremely desirable power that is available; but the power that comes from Hoover Dam is controlled by the federal government. The reallocation of that power is something that has not happened for 30 years and that is why the City has been made eligible as a local government. It is not free and the City is paying for the operating costs of the City's tiny portion of Hoover Dam that enables Hoover Dam to continue to operate and provide the power. The City would get a credit from SSVEC for the power, which is why the City's net, possible risk in year one is that the City would pay \$3,200 and that is because they fronted some costs for upgrades at the plant for the first four years. Once those are paid off, then the City would start seeing the use of that power paying off for the City because the City is paying less than it would be getting as a bill credit from SSVEC.

The City is not the only municipality that is accepting new power; but the resolution also states that the City would be willing to accept up to 10 percent or more because they do expect a couple of the smaller allottees to turn their power back as they don't feel comfortable getting it and it is possible that the City's allocation would go up by a small amount.

Council Member Huisking noted that the whole point of it is that the City over a 50-year period will be benefiting more than what it is paying for infrastructure and that small investment up front will help the City in the long run.

Ms. Jacobs stated that it seems to her that it was somewhere over 50-year agreement of \$300,000 to 400,000 in savings to the taxpayers.

Item 6 Ordinance 2016-006, Annexing Fry at N. 5<sup>th</sup> Street– Ms. Moore stated that this is the final stage for the annexation to go through. There are eight properties, 1.8 acres and they are in the Fry town site area. There are three properties located off of Fry Boulevard and five off of N 5<sup>th</sup> Street. The City met all of the State requirements for the annexation to be successful and got 51 percent of the voters and the valuation was exceeded that needed to be met. If the ordinance is approved, there will be a 30-day waiting period before the annexation is complete. A welcome packet will be sent out to the property owners in the area letting them know what services are available to them now that they are part of the City.

A majority of the properties are commercial and they will come over as General Commercial. There is one residential property that is Mobile Home Residential.

Council Member Mount asked if there were any agreements, promises, spoken or written to the any of the residents there that something would happen if they agreed to be annexed. Ms. Moore stated that there are not.

Item 7 Resolution 2016-059, accepting a Grant from the Federal Aviation Administration for the Reconstruction of Taxiways G and J – Ms. Flissar stated that the agenda item will accept a grant from the Federal Aviation Administration for the reconstruction of Taxiways G & J at the Sierra Vista Municipal Airport. The work is necessary in order to accommodate large and heavy aircraft on the City's side of the airfield. Since the strength of Taxiway G and J is currently deficient, heavy aircraft must currently taxi across the main runway and use Taxiway P on the Fort's side of the airfield, which creates a safety issue. The types of aircraft that are currently not able to taxi on the City's side include larger fire fighting aircraft that are housed at the Sierra Vista Municipal Airport during fire season as well as other large delivery aircraft.

Over 90 percent of the \$2 Million project cost will be funded through the FAA's Airport Improvement Program. ADOT will also contribute less than five percent of the project cost leaving the City's share at less than five percent, \$87,000. A portion of the City's share is expected to be recouped through in-kind contributions although the match has been fully budgeted.

HH is this something that we have known about and applied for or is it sudden. SF has been on the radar for a number of years as ADOT does an analysis and these taxiways are below. Conditions got worse and it is not likely to improve without the City taking this step.

Council Member Huisking asked if this is something that the Department has known about for a long time and applied for. Ms. Flissar stated that this has been on the radar for a number of years. ADOT does a pavement analysis on a periodic basis, generally every five years and Taxiways G and J are way below the other pavement in the area. They are the constraining factor at the airport. As the condition got dramatically worse in the last year and it is not likely to improve in the future without the City taking this step.

Council Member Huisking asked if the opportunity to apply for funding offered every year. Ms. Flissar explained that the project has been on the Department's radar for about two years and there was some question with the FAA as to whether the City was eligible for AIP funding and so this was put on hold. Since this one is completely on the City's side of the airfield, those issues are resolved and the City has been able to move it forward.

Mayor Muller noted that it was part of Airport Improvement Plan for a few years.

Council Member Calhoun asked how this will benefit the community. Ms. Flissar stated that the Forrest Service is housed on the City's side of the airfield and they are a very welcomed partner and is not just a service that is provided to the City. They fly out of Sierra Vista due to length of main runway to all places in southern Arizona and New Mexico. The Fort currently has a lot going on their side of the airfield so they cannot house the Forrest Service on their side. The heavy planes crossing the runway are less than ideal and it creates a safety issue when they do that. This could also open economic development opportunities because then the City will have the ability to fully accommodate these types of aircrafts fully on the City's side of the airfield without having them cross over.

Council Member Calhoun asked if it opens up doors for economy development possibilities or new possibilities at the airport. Ms. Flissar stated that it does open that door in that it provides the possibility of accommodating those heavy aircrafts. Currently they have to taxi over and it is a safety issue. The vast majorities are Forest Service aircraft that would be in this category; but not all of them are so it keeps the City's options open.

Council Member Mount asked if there is a general plan to turn around a market now that the investment has been made in order to do something with economic development. Mr. Potucek stated that the question of whether or not this spurs up economic development at the airport is a two-sided question. Yes, having a strength in taxiway and being able to accommodate and service aircraft that may bring in cargo or those kind of things may be helpful in that arena. In terms of developing property or bringing in a business, the City is severely constrained as the City only has less than ten acres of developable land on the City's side of the airport for any future economic development prospects. Without the visibility of receiving any more land or having the Army opening up more land makes economic development difficult.

Council Member Mount stated that the biggest constraint is being this island community so far south of a major shipping land; but if the City can open up air freight, it does open up for some sort of idea for manufacturing that normally would not be practical. With the cost of fuel as low as it would be a feasible idea; but the City has to have that marketing plan and a business development pipe land built that can capture that.

Council Member Mount stated that he has his first meeting with the Airport Commission and he wants to be able to walk in with answers to those questions. Mr. Potucek stated that it is a fair point because without having rail and being at a distance from the interstate, it is only one of the ways that a manufacturer could get in the equipment machinery parts and etc. that they would need to operate as well as to ship their goods.

Mayor Mueller stated that the City also benefits from fuel sales with the aircrafts out at the airport.

Item 8 Resolution 2016-060, Official Intent to be reimbursed for Certain Capital expenditures – Mr. Felix stated that this is the annual reimbursement resolution that is done in the fall every year at the start of the budget. As part of the fiscal year, the Department buys equipment during the year, packages it at the end of the year and if there is a need, go out to bid in May, beginning of June timeframe to put one financing package together. The City does this to save money and this way the Department knows exactly how much is financed. The other options for cities is to finance it at the beginning of the year; but then they are paying interest on money sitting in the bank and they do not give you a return equal to what is paid on the

interest debt service. If the equipment comes in under budget or over budget then the City has a problem. When Public Works puts its budget together, they estimate it; but the actual sale price of the goods that they get are not known until contracts are in place and contracts that can be piggybacked have new updated pricing. This way the Department knows exactly the amount of the equipment that the City is buying, saves the interest money and does not come up short or have money at the end. In order to do this, the IRS requires that the entity pass a reimbursement resolution that states the City's reasonable intent to purchase the items and finance them with more than 30-days after it is purchased.

Item 9 Resolution 2016-061, Intergovernmental Agreement with Cochise County to Share Costs of Legal Representation for Gila River Water Adjudication – Mr. Potucek stated that this intergovernmental agreement is with the County that allows the County to join the City's partnership with Pueblo Del Sol Water and Liberty Water Companies. The City is currently retaining the services of Mr. Williams Sullivan who the City has heard from at work sessions and other meetings. The County is desirous of joining this consortium that the City has and they have allocated \$5,000 toward that. The adjudication is heating up and there will be more money being spent in the future and the City welcomes more partners.

Item 10 – Resolution 2016-062, Intergovernmental Agreement with Cochise County for Election Supplies and Services – Ms. Adams stated that this is a routine item that the City does every couple of years. The intergovernmental agreement updates the City's agreement with the County to reflect their current practice with the new vote centers that they put into place. The actual costs have not gone up and will most likely be close to last election cost wise. It is an interesting experiment year because the fees are paid based on the number of ballots that are printed and the vote centers actually will cut down significantly on the amount of ballots that the County has to have printed to have on hand and often not used at the ballot places every year; but they have to have a certain number of ballots available should the voters show up at the polling places. The vote centers actually create the ballots on demand and the City will only be paying for the ballots that are actually used. Ultimately it will be a cost savings to the City. There no other changes to the agreement and the City will not have to pay for the reprinting of the ballots that recently occurred. This is a standard agreement to allow the City to have this business relationship with the County.

Council Member Mount asked if payment for ballots is for validated, corrected ballots. Ms. Adams stated that it is ballots printed. A certain number of ballots have to be mailed out and the City pays a per ballot cost. Anyone who goes into a vote center and has a ballot kicked out to be voted will also be a charge per ballot to the City. The County used to have stacks of ballots that they had to take to the polling places.

Mayor Mueller stated that there are spoiled ballots per mechanical system and asked if the City will get charged for those. Ms. Adams stated that the City will be charged.

Council Member Mount asked if the City will have to pay for the ballots that were mistakenly mailed. Ms. Adams stated that she does not believe that the City will have to pay; but she will confirm that. They would be hard pressed to bill the City for an error that was their fault.

Council Member Mount asked if they are held accountable as they are basically a vendor. Ms. Adams stated that they are held accountable.

Council Member Calhoun stated that she went to a presentation by the County Elections Office where they demonstrated the machines and a point was made that anybody can call their office for a demonstration plus anyone can go to their office and practice on the machines

before the election. It is an interesting process and different than what was done before and so she encourages people to go out and play with the machines before the election. It may also be slower than people expect due to it being a different process and they should recognize that.

Ms. Adams stated that the County has had the opportunity with some small elections to get it under their belt in the spring. They should be ready to hit the ground running for the Primary later in the month.

#### C. Report on Recent Trips, Meetings and Future Meetings

Mayor Mueller announced the upcoming League Conference.

Council Member Huisking stated that the Maricopa Governments, Alana Landing, is trying to put the Sister Cities and their Sonoran counterparts together as an affiliate group during the Arizona League of Cities; but she will be unable to attend and she would appreciate knowing which Council Members might be interested in attending the meeting on August 25<sup>th</sup>. Mayor Mueller stated that he plans on being there.

Council Member Huisking also noted that Mr. Bill Laughlin, State President for Sister Cities along with individuals from the City of Cananea will be present and it is important because it is the conversation that they have all been thinking about beyond student and cultural exchanges on in to economic development.

Council Member Huisking stated that Council received an itinerary for the September 2<sup>nd</sup> visit to Cananea, Sonora Mexico.

Council Member Mount stated that he went to Fort Gordon and visited the Cyber Center. He was also asked to moderate the Huachuca City Council forum on August 10<sup>th</sup>.

#### D. Board and Commission Liaison Update

Council Member Calhoun announced that the West End Commission has two seats open and there are three applications. The Commission could not decide so they have asked Council to make that decision.

Mayor Mueller noted that the decision will have to be an agenda item.

Council Member Mount stated that Council Member Gray and he have switched out commissions. Council Member Gray will take over the IDA and he will have the Airport Commission.

Council Member Calhoun announced the Multi Commission Meeting on August 18<sup>th</sup> at the Ethel Berger Center.

Council Member Huisking stated that the Environmental Affairs Commission has one vacant seat because Mr. Bernie Stalmann is terming out, who will be greatly missed as they will no longer hear about the Arizona Trails.

Council Member Calhoun asked if once a commissioner terms out can they become an associate. Mr. Potucek stated that they can.

E. Future Discussion Items and Council Requests

Ms. Jacobs announced future discussion items:

- September 6<sup>th</sup> work session will include the economic development and tourism updates along with a presentation regarding options for Council to consider on the program for the \$50,000 economic development partnership with businesses;
- October 11<sup>th</sup> work session will include the procurement code amendment; and
- September 8<sup>th</sup> Council Meeting will include the boards and commissions.

Council Member Ash stated that the City's new website is beautiful and she would like a five or ten minute tour of the site at a work session to show it off.

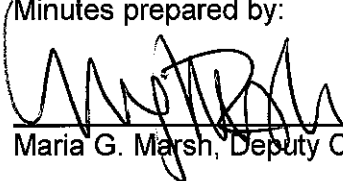
Council Member Calhoun asked if the CAFR and PAFR on the website. Ms. Jacobs stated that they are probably on there and that at the moment it is about 95 percent complete. Staff will notice that it will have links referred to documents in a separate document server. This makes it simple and easy for the departments to upload. Feedback will be sought to make sure that it is clear. Council Member Mount added that the CAFR and PAFR are on the web site.

3. Adjourn

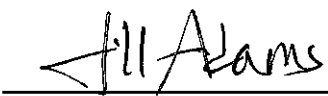
Mayor Mueller adjourned the work session at 4:19 p.m.

  
\_\_\_\_\_  
Mayor Frederick W. Mueller

Minutes prepared by:

  
\_\_\_\_\_  
Maria G. Marsh, Deputy Clerk

Attest:

  
\_\_\_\_\_  
Jill Adams, City Clerk

## Important information about the Sierra Vista Unified School District Bond Election

The Governing Board of the Sierra Vista Unified School District (SVUSD) has called for a \$28.87 million bond election on November 8, 2016.

### What are Bonds?

Bonds are loans made to the school district. Bonds are used to purchase capital items and/or to make capital improvements to existing facilities, such as building or renovating a school or purchasing school buses and computers.

### Why does SVUSD need a bond?

Sierra Vista last passed a bond 25 years ago while other districts typically ask for bond approval every 8 to 10 years. The State of Arizona has not provided school districts sufficient funding for building maintenance/repair and purchase of capital items for more than seven years, which forces districts to turn to bond monies to keep facilities up-to-standard, provide instructional technology resources and provide for student transportation.

### How will the bond funds be spent?

- Safety and security upgrades
- Basic structure maintenance including roofing and mechanical (HVAC, electrical, plumbing)
- Site maintenance including paving and resurfacing
- High school and elementary school capacity needs and improvements
- Equipment and furnishings
- Transportation vehicles
- Deferred maintenance and technology

### Will the bond increase my property tax?

For the average home owner (based on a house with an assessed value of \$147,808) the property tax increase is expected to be \$77.32 annually or \$6.45 per month.

### What will happen if the bond is not approved?

The District will have to rely upon continued limited State funding and risk SVUSD school sites moving further into disrepair. It would also require the District to use educational operation funds for essential and emergency facility expenses, and could result in personnel reductions, increased class sizes, possible reduction or elimination of extracurricular programs, and reduced supplies at school.

### What is the difference between Prop 123 and this bond?

Proposition 123 funds are primarily intended to provide operational funding such as salary increases for faculty and staff. Due to the decrease in capital funding from the State since 2008, totaling \$12.8 million for SVUSD, the District is asking for approval of bond funds which can only be used for capital improvements, repairs, construction, technology, buses and furniture and equipment.

### What are the benefits to taxpayers, students and the community?

#### THE BOND WILL:

- Protect valuable taxpayer assets
- Support and attract businesses to Sierra Vista by fostering an educated, well prepared workforce
- Promote a safe and healthy educational environment
- Provide the technology necessary to teach 21st century skills
- Maximize energy savings and increase SVUSD facility life

### How do we know the funds will be spent as promised?

By law the District is required to spend the funds as published in the voter pamphlet. In addition the SVUSD Governing Board will appoint an oversight committee to provide additional taxpayer protection.

Grades

**Preschool – 12**

Student Data:

**5,967 students**

Four Year Graduation Rate

**86%**

Annual Dropout Rate

**2.1%**

Thousand Grade Level Facility in Sierra Vista

**37 years old**

- During the past 10 years SVUSD has lost \$1.3 million in capital funding due to shrinking state revenue



- All eight of the District's school roofs are in need of replacement and many classrooms currently have water leaks



- Multiple schools need fire, safety, and security upgrades



- Basic technology is unavailable to implement current teaching methods



- A majority of school districts have bonds on an 8-9 year cycle but Sierra Vista's last bond was 25 years ago (BHS)



[yesforsvusdbond.org](http://yesforsvusdbond.org)



**Yes for SVUSD Bond**



PAID FOR BY YES FOR SVUSD BOND



# Bond Allocation

How will the SVUSD bond funds be spent?

## DISTRICT WIDE IMPROVEMENTS

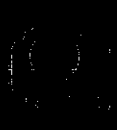
### Infrastructure and Technology



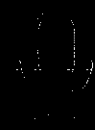
**Safety and security improvements**



**1 to 1 student computers 3<sup>rd</sup>-12<sup>th</sup> grade**



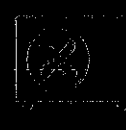
**Interactive projectors**



**Voice enhancement systems**



**Replacement of furniture, fixtures and equipment**



**Roofs and HVAC**

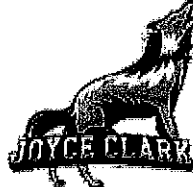


**Transportation improvements**



**YEAR BUILT: 1992**

- Roofing
- Repair/replace HVAC, electrical, fire alarms and plumbing
- Restroom renovations
- ADA compliant facility upgrades
- Theater work area, practice gym and new weight room



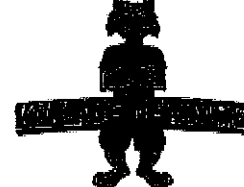
**YEAR BUILT: 1980**

- Roofing and painting
- Repair/replace HVAC, electrical, fire alarms and plumbing
- Remodel/renovate library
- Restroom renovations
- Upgrade parking and exterior lighting



**YEAR BUILT: 1956**

- Roofing and painting
- Repair/replace HVAC, electrical, fire alarms and plumbing
- Remodel/renovate occupied space
- Restroom renovations
- Upgrade parking and exterior lighting



**YEAR BUILT: 1960**

- Roofing and painting
- Repair/replace HVAC, electrical, fire alarms and plumbing
- Restroom renovations
- Upgrade parking and exterior lighting
- Multipurpose room



**YEAR BUILT: 1986**

- Roofing and painting
- Repair/replace HVAC, electrical, fire alarms and plumbing
- Remodel/renovate occupied space
- Restroom renovations
- Upgrade parking and exterior lighting



**YEAR BUILT: 1971**

- Roofing and painting
- Repair/replace HVAC, electrical, fire alarms, plumbing
- New kitchen, multipurpose room and classroom addition
- Restroom renovations
- Relocate/create new bus loading area



**YEAR BUILT: 1980**

- Roofing and painting
- Repair/replace HVAC, electrical, fire alarms and plumbing
- Remodel/renovate library
- Upgrade parking and exterior lighting



**YEAR BUILT: 2003**

- Roofing and painting
- Repair/replace HVAC, electrical, fire alarms and plumbing
- Restroom renovations
- Upgrade parking and exterior lighting
- New multipurpose room



PAID FOR BY YES FOR SVUSD BOND

# **Sierra Vista Unified School District**

## **Capital Bond Referendum**

**General Election – Nov 8, 2016**

**Sierra Vista City Council Work Session  
August 9, 2016**

1

- **The Basics, what we are asking the public for**
- **How we got to this point**
- **How the decision was made**
- **The Cost**
- **What the recommendations were**
- **Arizona School Funding Basics**
- **The Bottom Line**

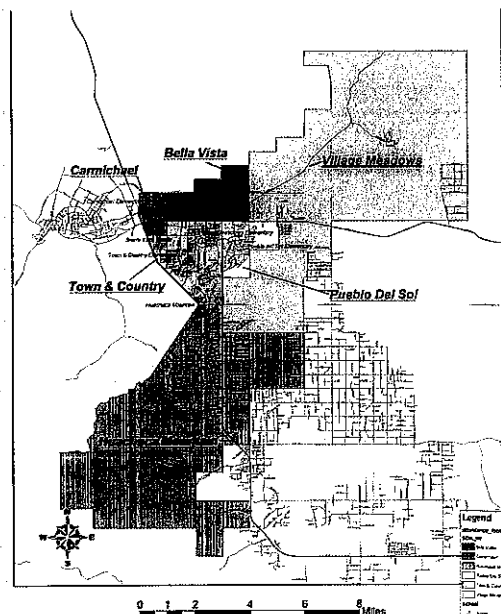
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## The Basics

- ☐ A referendum on the November ballot which would authorize the SVUSD to issue bonds up to \$28.87 million to finance capital improvements across the school district
- ☐ Must be approved by voters to take affect
- ☐ Voters are those who live in the SVUSD boundaries

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## SVUSD boundaries



4

## Some Background – How we got here

Over past year, SVUSD staff and Gov Board sought to address the impacts of declining funding for school infrastructure over the past 10 years => plan/fix/prep for future:

- ☞ Average school facility in Sierra Vista is 37 years
- ☞ Routine maintenance of facilities will sustain infrastructure, but periodic investments in capital assets are necessary in the “life cycle” of these assets
- ☞ Majority of school districts have bonds on an 8-9 year cycle .....Sierra Vista’s last bond was 25 years ago (BHS)
- ☞ SVUSD has been overdue for capital improvements for some time
- ☞ Past ten years particularly significant: \$13 million lost due to shrinking state revenue

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### Reductions in Capital Allocations Over Time

| Fiscal Year                  | 2007/2008   | 2008/2009   | 2009/2010   | 2010/2011   | 2011/2012   | 2012/2013   | 2013/2014   | 2014/2015   | 2015/2016    |
|------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Fund 610<br>Unrestricted Cap | \$933,227   | \$771,252   | \$509,506   | \$592,587   | \$1,110,779 | \$896,469   | \$721,597   | \$1,284,605 | \$333,593    |
| Fund 625<br>Soft Capital     | \$2,049,441 | \$1,974,419 | \$1,255,120 | \$161,364   | \$759,803   | \$804,817   | \$0         | \$0         | \$0          |
| Total                        | \$2,982,668 | \$2,745,671 | \$1,764,626 | \$753,951   | \$1,870,582 | \$1,701,286 | \$721,597   | \$1,284,605 | \$333,593    |
| Leg. Reduction               |             |             | \$1,100,000 | \$1,120,402 | \$1,921,813 | \$1,878,360 | \$1,500,000 | \$2,400,000 | \$2,907,402  |
| Cumulative<br>Reduction      |             |             | \$1,100,000 | \$2,220,402 | \$4,142,215 | \$6,020,575 | \$7,520,575 | \$9,920,575 | \$12,827,977 |

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## SVUSD Leadership Developed:

**Capital Improvement Master Plan (CIMP)\*:** Detailed analysis of all school facilities in SVUSD for:

- Urgent issues
- Catastrophic failures
- Requirements to sustain into the future

**"Future Ready" Technology Plan\*\*:** Strategic plan for providing students and schools with technology necessary to support education out to 2025 in the following areas:

### Technology Purchases (capital investment)

- Policy
- Communication
- Research
- Training
- Technology Promotion

\*Orcutt/Winslow, consultant  
\*\*SV Unified School District

## Community-based Involvement

A capital planning committee representing a broad spectrum of the community was formed by the Sierra Vista Unified School District leadership in March of 2016 to review overall capital needs of the district required to meet current and future educational needs of the greater Sierra Vista area students

Jennifer Anderson  
Doris Caldwell  
Gwen Calhoun  
Kaye Dean  
Bruce Dockter  
Tom Finnegan  
Nancy Heil  
Leslie Hocker  
Dee Dee Hoeft  
Peter Huisking  
Tara Hyatt

Mary Jacobs  
Kate Lawley  
Angela Lucero  
Gayl Murphy  
Eric Petermann  
JD Rottweiler  
Hollie Sheriff  
Tim Taylor  
Jim Torrey  
Ron Wagner  
Evelyn Whitmer  
Randy Youngblood

## The Task

Specifically, the Committee was asked to:

- Provide an external review of the Orcutt/Winslow capital facility analysis commissioned by the District's Governing Board and the "SVUSD Technology Plan" prepared by the District IT Department
- Make recommendations to the board on:
  - Criticality of identified needs in support of quality education for the district students
  - Other needs, if any
  - Funding options to address the needs

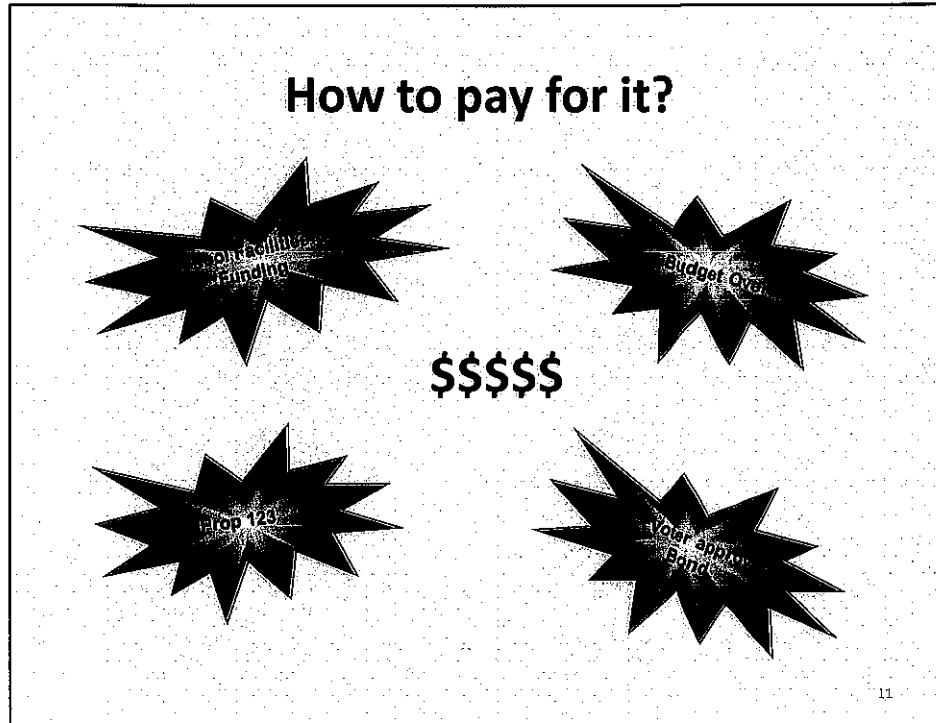
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## The cost

By Major Category

|   |    |                |
|---|----|----------------|
| Fire, Life, and/or Safety                     | \$ | 1,390,000      |
| Roofing                                       | \$ | 2,090,000      |
| Asset Preservation - Exterior                 | \$ | 3,200,000      |
| Major Building System Repair/Replacement      | \$ | 2,490,000      |
| Interior Building Finishes                    | \$ | 670,000        |
| Reconfigure, Remodel, Renovate Occupied Space | \$ | 1,540,000      |
| Accessibility Improvements                    | \$ | 100,000        |
| Non-Building Infrastructure                   | \$ | 720,000        |
| New Construction                              | \$ | 3,520,000      |
| Instructional Technology Systems              | \$ | 7,400,000      |
| Transportation                                | \$ | 5,100,000      |
| Food Service                                  | \$ | 250,000        |
| Furniture, Fixtures & Equipment               | \$ | <u>400,000</u> |
|   | \$ | 28,870,000     |

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## Findings .....and Recommendations

- The quality of local education is directly linked to the economic health of the community
- Safe, secure, and inviting facilities positively affect student learning environment
- Enhanced technology is critical for student readiness for continuing education, training, and jobs
- Capital and technology needs identified are valid and necessary (conservative and focused on pressing needs)
- Realistic overall funding option limited to bond

And so...the Bottom Line

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## **Findings..... and Recommendations**

### **That the Governing Board:**

- **Call for bond issue for consideration by voters of Sierra Vista....of no more than \$30 million**
- **Upon approval of bond, establish Bond Oversight Committee to ensure accountability ("public watchdog")**
- **Continue to pursue other options (Building Renewal Fund, business support, grants, etc.)**
- **Commit to use local contractors and vendors for projects where feasible**

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## **Some bond basics**

- ☐ **The average additional tax rate needed to fully fund the SVUSD bond is about 52 cents per \$100 of assessed valuation, or \$52.31 per year based on a home assessed at \$100,000. The estimated average bond tax rate for a home in Sierra Vista with a assessed tax value of \$147,808 is \$77.32 per year, \$6.44 per month.**
- ☐ **Estimated interest rate on the bonds is 5 to 5 ½%**

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## HOW CAPITAL EXPENSES ARE FUNDED FOR ARIZONA SCHOOLS

- In 1994, Arizona's system of school capital finance was declared unconstitutional because it failed to conform to the state constitution's "general and uniform" clause. That system relied on the secondary property tax, driven by the property wealth of a school district, and general obligation bonding.
- In 1998 Governor Hull signed legislation that dramatically reformed the way K-12 schools are constructed in Arizona. This was known as the "Students First" Law which **established a building renewal fund** for the purpose of maintaining the adequacy of existing school facilities. **This is managed by the School Facilities Board and schools apply to this fund** for critical deferred maintenance requirements but the fund has had little money for several years.
- The State Budgets for Capital requirements for schools but the economic downturn has left the Capital fund empty for the past several years also. **Over the past ten years SVUSD has lost \$12.87 million, dropping from over \$3 million a year to just over \$300 thousand this year.**

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## Some Other Factors

- ❑ **School Budget Override** -- Since 1980 the Arizona Legislature has allowed school districts to supplement their base M & O budget limits by asking voters in their local districts to approve a budget override. **Overrides are funded by tax increases and are used for maintenance and operations.**
- ❑ **Proposition 123** – Voter-approved referendum that added \$3.5B over 10 years to education State wide. It settled the K-12 education inflation funding lawsuit. **SVUSD will use the funds primarily for pay and benefits for teachers** after multiple years of pay freezes.
- ❑ **Bond**-- **A bond allows local voters to approve additional funding to use for capital items such as vehicles, building renovations, and deferred maintenance and technology.** Bonds are a **loan** from investors to provide funds for capital expenditures. Bond principal and interest payments are made annually and semi-annually, respectively, by the district from property taxes. **(On the ballot November 8)**

16

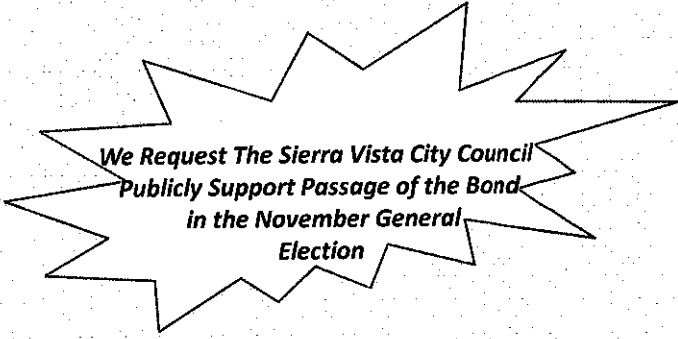
## Why should we care: the “So What”

The quality of local education is directly linked to the economic health of the community:

- Economic growth is strongly affected by the skills and abilities of workers.
- There is a direct link between a positive learning environment and quality education. Inadequate or poorly maintained facilities can negatively affect a student's desire to learn. The quality of that environment is critical to student success.
- Key factor in recruitment of specialty professionals: doctors, nurse practitioners, information technology specialists and others.

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## THE BOTTOM LINE



*We Request The Sierra Vista City Council  
Publicly Support Passage of the Bond  
in the November General  
Election*

***The requirements and costs to the  
taxpayer will only increase over time.***

**NOW IS THE TIME!**

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